

1 AN ACT concerning business.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Uniform Commercial Code is amended by
5 changing Section 9-516 as follows:

6 (810 ILCS 5/9-516)

7 Sec. 9-516. What constitutes filing; effectiveness of
8 filing.

9 (a) What constitutes filing. Except as otherwise provided
10 in subsection (b), communication of a record to a filing office
11 and tender of the filing fee or acceptance of the record by the
12 filing office constitutes filing.

13 (b) Refusal to accept record; filing does not occur. Filing
14 does not occur with respect to a record that a filing office
15 refuses to accept because:

16 (1) the record is not communicated by a method or
17 medium of communication authorized by the filing office;

18 (2) an amount equal to or greater than the applicable
19 filing fee is not tendered;

20 (3) the filing office is unable to index the record
21 because:

22 (A) in the case of an initial financing statement,
23 the record does not provide a name for the debtor;

1 (B) in the case of an amendment or correction
2 statement, the record:

3 (i) does not identify the initial financing
4 statement as required by Section 9-512 or 9-518, as
5 applicable; or

6 (ii) identifies an initial financing statement
7 whose effectiveness has lapsed under Section
8 9-515;

9 (C) in the case of an initial financing statement
10 that provides the name of a debtor identified as an
11 individual or an amendment that provides a name of a
12 debtor identified as an individual which was not
13 previously provided in the financing statement to
14 which the record relates, the record does not identify
15 the debtor's last name; ~~or~~

16 (D) in the case of a record filed or recorded in
17 the filing office described in Section 9-501(a)(1),
18 the record does not provide a sufficient description of
19 the real property to which it relates; or

20 (E) in the case of a record submitted to the filing
21 office described in Section 9-501(b), the debtor does
22 not meet the definition of a transmitting utility as
23 described in Section 9-102(a)(80);

24 (3.5) in the case of an initial financing statement or
25 an amendment, if the filing office believes in good faith
26 that a document submitted for filing is being filed for the

1 purpose of defrauding any person or harassing any person in
2 the performance of duties as a public servant;

3 (4) in the case of an initial financing statement or an
4 amendment that adds a secured party of record, the record
5 does not provide a name and mailing address for the secured
6 party of record;

7 (5) in the case of an initial financing statement or an
8 amendment that provides a name of a debtor which was not
9 previously provided in the financing statement to which the
10 amendment relates, the record does not:

11 (A) provide a mailing address for the debtor;

12 (B) indicate whether the debtor is an individual or
13 an organization; or

14 (C) if the financing statement indicates that the
15 debtor is an organization, provide:

16 (i) a type of organization for the debtor;

17 (ii) a jurisdiction of organization for the
18 debtor; or

19 (iii) an organizational identification number
20 for the debtor or indicate that the debtor has
21 none;

22 (6) in the case of an assignment reflected in an
23 initial financing statement under Section 9-514(a) or an
24 amendment filed under Section 9-514(b), the record does not
25 provide a name and mailing address for the assignee; or

26 (7) in the case of a continuation statement, the record

1 is not filed within the six-month period prescribed by
2 Section 9-515(d).

3 (c) Rules applicable to subsection (b). For purposes of
4 subsection (b):

5 (1) a record does not provide information if the filing
6 office is unable to read or decipher the information; and

7 (2) a record that does not indicate that it is an
8 amendment or identify an initial financing statement to
9 which it relates, as required by Section 9-512, 9-514, or
10 9-518, is an initial financing statement.

11 (d) Refusal to accept record; record effective as filed
12 record. A record that is communicated to the filing office with
13 tender of the filing fee, but which the filing office refuses
14 to accept for a reason other than one set forth in subsection
15 (b), is effective as a filed record except as against a
16 purchaser of the collateral which gives value in reasonable
17 reliance upon the absence of the record from the files.

18 (e) The Secretary of State may refuse to accept a record
19 for filing under subdivision (b) (3) (E) or (b) (3.5) only if the
20 refusal is approved by the Department of Business Services of
21 the Secretary of State and the General Counsel to the Secretary
22 of State.

23 (Source: P.A. 91-893, eff. 7-1-01.)